



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 6, 2001

TO: Minerals File

FROM: D. Wayne Hedberg, Permit Supervisor 

RE: Documentation of March 6, 2001 Conference Call, Assessment Review & Status of Closure & Reclamation Activities, North Lily Mining Company, Tintic Project, M/023/007, Juab County, Utah

Date of Call/Meeting: March 6, 2001
Location: Division Offices
Time of Call/Meeting: 9:00 - 9:50 a.m.
Participants: Steve Flechner & Gene Webb - North Lily Mining Company; Bob Bayer - JBR; Mary Ann Wright, Wayne Hedberg, and Doug Jensen - DOGM

Purpose of Call/Meeting: The purpose of this conference call was to document the progress that has been made at the Tintic Project site since our last conference call on February 20, 2001.

On March 6, 2001, a conference call was held between the representatives identified above to discuss the status of ongoing closure and reclamation activities at the Tintic Project site. The discussion focused on activities that had been performed since our last conference call. A summary of the discussion items are detailed below:

- Wayne explained that the 1st Amended Stipulated Consent Agreement has been signed and will be copied to North Lily with the revised reclamation task schedule later today.
- Doug gave an overview of his onsite inspection observations performed yesterday. He recommended that Elwin start moving some of the impounded solution from the preg pond to the overflow pond as soon as possible. Doug estimated @1,000,000 gallons of solution presently in pond storage. He emphasized the need to reactivate the evaporative misting system soon to take advantage of the warmer, windier days. Doug said he would try and reach Walt later today to discuss this matter further with him. Bob said he would also remind him when he talked to him. Doug again stressed the need to get the power change over to occur (3-phase to single-phase) so that the building demolition could commence in a timely manner. He also asked when Safety Clean would remove the containerized wastes so that the residual equipment, truck and palleted documents could be removed from the process facility building. Bob said Safety Clean was scheduled to pick up these containers this coming Friday (except for the furnace sweepings - 1 - 55 gal drum).
- Bob said that the supplemental surveying and percolation test work is now completed for determining the location and sizing of the leach field system. He said his staff is working on the

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design package and we should expect to see the final designs by tomorrow. Bob said because of required changes in the proposed location, the infiltration design parameters and increased construction costs, that they would propose a change in the system size from 7 gpm to 6 gpm. He explained that this reduction still gave a 70% factor of safety over the current draindown rate.

- Bob said that Bill Fuller had worked up some updated cost estimates based upon the recent design changes for construction of the drain field and monitoring system. The estimate would be faxed to us today or tomorrow. We said we would adjust our overall reclamation cost estimate accordingly and send a copy to North Lily.
- Wayne asked Gene and Steve what the status of the bid process was for salvaging the remaining processing equipment and mill building. Gene stated they had several bids that they were presently contemplating. They hoped to decide on the successful bidder very soon. Gene said that the two diesel tanks have been sold and that at least one should be gone by this weekend. One tank is much heavier than the other and may have to wait for Bill Riley's loader to lift it onto a trailer for transport. The freshwater tank will be left for the time being because it is still needed.
- We also asked if Walt had received the updated cost estimate from the electrician (Duff Mitchell) regarding conversion of the 3-phase electrical system to single-phase? Bob wasn't sure if Mr. Mitchell had made it out to the site yet, but thought that Walt had mentioned he needed to contact the power company again.
- We discussed the status of North Lily's partial surety release request. Wayne explained that a draft letter had been prepared that is undergoing administrative review. After adding in the projected costs for construction of the solution treatment system and monitoring, we advised North Lily that only about \$30,000+ may be available for release at this time. We stated we will recalculate our draft bond estimate figures once we receive the new cost estimate from JBR. Bob expressed some concern that this amount of money wouldn't carry them through the end of the project and asked us if we would consider additional phased releases as they completed various components of the reclamation. We agreed that this seemed reasonable and that we would consider each request as each reclamation activity on the bond is completed.
- Wayne asked to change the next scheduled conference call to March 19th instead of on March 20th. All participants concurred to change the call to March 19, 2001, at 9:30 a.m.

AT&T conference call dial in # : (888) 232-0370; Participant Code # : 414075

jb
cc: Steve Flechner, NLMC
Bob Bayer, JBR
Dennis Frederick, DWQ
Mary Ann Wright, DOGM
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